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SENATE

REPORT
No. 1412

COLUMBIA BOAT & BARGE SYSTEM, INC.

MAY 27 (legislative day, MAY 26), 1942.—Ordered to be printed

Mr. BREWSTER, from the Committee on Claims, submitted the following

REPORT

[To accompany H. R. 4999]

The Committee on Claims, to whom was referred the bill (H. R. 4999) to confer jurisdiction upon the United States District Court for the District of Oregon to determine and render judgment for any losses suffered by the Columbia Boat & Barge System, Inc., having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The facts are fully set forth in House Report No. 1475, Seventy-seventh Congress, first session, which is appended hereto and made a part of this report.

[H. Rept. No. 1475, 77th Cong., 1st sess.]

The Committee on Claims, to whom was referred the bill (H. R. 4999) to confer jurisdiction upon the United States District Court for the District of Oregon, to determine and render judgment for any losses suffered by the Columbia Boat & Barge System, Inc., having considered the same, report favorably thereon, with amendments, and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all the language after the enacting clause and insert in lieu thereof "That, notwithstanding the lapse of time, jurisdiction is hereby conferred upon the

United States District Court for the District of Oregon, to determine and render judgment for any losses suffered by the Columbia Boat and Barge System, Incorporated, resulting from the failure of the United States to promptly repair a break in The Dalles-Celilo Canal which occurred during April of 1933: *Provided*, That such suit shall be brought within one year of the enactment of this Act."

Amend the title so as to read "A bill to confer jurisdiction upon the United States District Court for the District of Oregon, to determine and render judgment for any losses suffered by the Columbia Boat and Barge System, Incorporated."

The purpose of the proposed legislation is to confer jurisdiction upon the United States District Court for the District of Oregon, to determine and render judgment for any losses suffered by the Columbia Boat & Barge System, Inc., resulting from the failure of the United States to promptly repair a break in The Dalles-Celilo Canal. which break occurred during April 1933.

STATEMENT OF FACTS

In the early part of 1933, Mr. A. V. Allen, together with a group of wheat farmers in the State of Oregon, organized the Columbia Boat & Barge System, Inc. The purpose of the corporation was to transport wheat by barge from upper State by means of the Columbia River, and thereby save the wheat farmers approximately 37 percent on the rail rate then prevailing.

On January 13, 1933, the Columbia Barge Co. made arrangements with the Knapton Towboat Co. to lease the necessary tugs for the towing of barges, in order to carry out the proposed operation; that they also contacted the United States Corps of Engineers in Portland, Oreg., and the Bureau of Lighthouses, to make inquiry as to whether or not the Columbia River would be available to them, and as to whether or not there would be placed along the river proper buoys to guide in navigation. They were advised that they would have the full cooperation of the Departments and that they could carry out their program without hindrance; that before these contacts were made with the various Departments the Columbia Barge Co. were guaranteed, in contracts, the transportation of 50,000 tons of wheat, and that by July 1933 they were guaranteed some 100,000 tons.

Sometime between the hours of 11 p. m., on April 11, 1933, and 5 a. m. of the 12th, there was discovered a break in a section of The Dalles-Celilo Canal the cause of the break being unknown. Mr. Allen together with Mr. French, upon learning of the break in the canal, called upon the engineer office in regard to the possibility of their hauling the wheat. They were informed that the break was a small one and that if they would call to the attention of the Secretary of War the use they were going to make of the river, and the savings that would be passed on to the farmers of this district, that it was felt that funds would be made available for the immediate repair of this break, and the engineers were of the opinion that if necessary funds were immediately made available, repair could be made so that there would be no delay in wheat shipments. On April 27, the Columbia Barge Co. was advised by the Honorable Charles L. McNary, United States Senator from the State of Oregon, that the Secretary of War had approved allotment of $86,000 for repairing the canal, work to start at once. On April 28, 1933, Mr. A. V. Allen, manager, Columbia Barge Co., received a letter from Lt. Col. John B. Kingman, Corps of Engineers, which concluded as follows:

"I am pleased to inform you that the district engineer at Portland, Maj. Oscar O. Kuentz, has been instructed to secure bids and proceed at once with the repair of the canal by contract, the allotment of funds therefor having been approved by the Secretary of War on April 27, 1933."

Although it may be noted that the contracts for the repair of the canal were ordered to be let at once, contract for only one portion of the repair work was not let until July 6, 1933, and that on this date Major Kuentz advised Mr. L. R. French that repairs would be completed by September 1, 1933.

In August, Major Kuentz was transferred from the Portland district, and replaced by Maj. Charles F. Williams. About the middle of August, representatives of the Columbia Barge Co. called upon Major Williams to find out if the repairs would still be completed by September 1. To their amazement they found that no contract had been let for the final step of the repair, that is, the concrete lining. Major Williams explained that he had never been informed of the importance or of the necessity for the completion of the repairs and told them that a contract would be let immediately, with the completion date set for September 27, 1933. This contract was let and the work completed on September 24, 1933. At the time of awarding the contract there was a definite understanding between the contractor and the engineers' office that no water would be turned into The Dalles-Celilo Canal prior to October 3, 1933, but in spite of this agreement the records show that on September 24, the day the work was completed, and before the concrete had a chance to dry, employees of the Corps of Engineers turned water into the canal, thereby washing out the freshly laid concrete.

Your committee has carefully gone into the merits of this case. At first it was assigned to a subcommittee of one man, and after reviewing the volume of evidence submitted by the contractor and the War Department, and also the questions of law that were involved, it was decided that in fairness to both the claimant and the Government, and in order to eliminate any prejudice, a subcommittee comprised of Mr. Pittenger, Mr. Capozzoli, and Mr. Russell, was appointed to review this case and make their recommendation to a full committee. On August 7, 1941, the special subcommittee held a hearing which was attended by Mr. A. V. Allen and Mr. Ben Fisher, representing the Columbia Barge Co.; with Lt. Col. Earl E. Gessler and Mr. F. T. Johnson, representing the War Department, office of Chief of Engineers. Unlimited testimony was presented and after hearing the arguments of both sides, the subcommittee found that the losses sustained by the Columbia Boat & Barge System, Inc., were a direct result of the negligence and failure on the part of the Corps of Engineers to make prompt repair of the break in the Dalles-Celilo Canal, which break occurred in April 1933.

Your committee, on October 22, 1941, adopted the recommendations of the subcommittee and by unanimous vote recommended that the bill, as amended, be passed.

The bill as introduced called for a direct appropriation of $99,600. Due to the volume of work before it, the committee was of the opinion that they could not in fairness to both the claimant and the Government, enter into the question of damages sustained by the Columbia Boat & Barge System, and therefore, the bill as amended, confers upon the District Court for the District of Oregon, the jurisdiction to hear, determine, and render judgment upon this claim in the amount that the court finds the Columbia Boat & Barge System, Inc., to have been damaged.

Appended hereto is the report of the War Department, together with other pertinent evidence.

WAR DEPARTMENT,
Washington, May 31, 1940.

Hon. AMBROSE J. KENNEDY,
Chairman, Committee on Claims,
House of Representatives, Washington, D. C.

DEAR MR. KENNEDY: Further reference is made to your letter of April 24, 1940, transmitting for report H. R. 9430, Seventy-sixth Congress, third session, a bill for the relief of A. V. Allen, individually, and as representative of the Columbia Boat & Barge System, Inc.

Under the terms of the measure it is proposed to authorize payment to A. V. Allen, individually, in the sum of $177,935.97, and to A. V. Allen as representative of the Columbia Boat & Barge System, Inc., Portland, Oreg., now in process of

dissolution, the sum of $180,250, a total of $358,185.97, in full satisfaction of their claims against the United States for damages alleged to have been suffered in consequence of operations incident to the construction of the Bonneville Dam during the years 1933–37.

The claimant previously submitted a claim under date of January 30, 1934, in the amount of $99,600 for losses alleged to have been suffered as a result of the closure of The Dalles-Celilo Canal. The claim consisted of losses representing the value of contracts for shipping 100,000 tons of wheat, loss of east-bound towing of 2,000,000 gallons of gasoline, loss of paid-in capital stock, and unpaid labor for agents and employees. The claim was rejected by the Department and thereafter was made the subject of a special relief bill, S. 3018, Seventy-third Congress, second session. A similar measure, S. 2847, was reintroduced during the first session of the Seventy-fifth Congress.

By letter of April 7, 1939, a further claim was submitted to the War Department, totaling $358,185.97. This latter claim was extended to cover losses alleged to have been incurred because of the closure of the Columbia River in connection with the construction of Bonneville Dam, and was based on the value of contracts for shipments of wheat, gasoline, and oil from and to the upper Columbia River, the alleged loss of paid-in capital stock, unpaid labor to agents and employees, and alleged expenses incurred in the acquisition of options on landings and warehouse sites.

The construction of Bonneville Dam was authorized September 30, 1933, by the Federal Emergency Administration of Public Works and adopted by the River and Harbor Act of August 30, 1935. As an incident to the construction of the Bonneville Dam the Columbia River was closed to navigation at the site of the dam intermittently between the following dates: January 14 to March 10, March 11 to April 14, April 22 to June 27, October 16 to 18, and November 9 to 14, 1936; and February 25, 1937, to January 4, 1938.

As indicated, the Columbia River was not actually closed to navigation by reason of the construction of the Bonneville Dam until January 14, 1936, whereas, the measure under consideration covers a claim predicated upon the closure of the river due to construction operations during the years 1933–37.

The records of the Department disclose that as a result of a breach which occurred in The Dalles-Celilo Canal, the waterway was closed to navigation between April 1933 and November 1934. Thereafter, for 14 months, or until January 1936, the Columbia River was opened to navigation without restriction either at The Dalles-Celilo Canal or at Bonneville, Oreg. The construction of the Bonneville Dam did not interfere with navigation prior to January 1936 and would have permitted the claimant to have transported the entire 1934–35 local wheat crop During the calendar year 1937, the company also might have transported gasoline oil, and fuel oil upstream past the Bonneville Dam by pumping the cargo through the powerhouse. This privilege was extended to all that requested it, namely, the Tide Water Transportation Co., of Spokane, Wash. and the Inland Navigation Co., of Portland, Oreg.

The Columbia Boat & Barge System is reported to have been incorporated August 26, 1933, the purpose of the corporation according to its bylaws being:

"To contract with farmers and other shippers to transport their products by water, boat, barge, and scow on the Columbia River and on its tributaries, and shall use this system which shall be known as the farmer system for that purpose.

"To provide ways and means and all necessary facilities and equipment for the purpose of putting this system in operation in a manner whereby it will effect a saving to the farmer and shipper, and to the end that each contract shipper in farming districts only shall participate in the net profits of the system.

"To secure and maintain a boat and barge system on the Columbia River and its tributaries, and to operate the same in sufficient capacity to timely handle all shipments under contract."

So far as the records of the Department show, the claimants' activities never reached an operative stage, and no evidence has been submitted to substantiate the extent of the loss and the anticipated profits claimed. Because of the speculative character of the claim, the Department has not attempted to verify the statement of loss.

The United States expends large sums on the construction and maintenance of works for the improvement of navigation and operators of vessels are permitted to utilize such facilities without charge. The closure of the upper Columbia River to navigation, due to breach in The Dalles-Celilo Canal and the construction of the Bonneville Dam undoubtedly, have resulted in losses to shippers generally. However, the Government is neither legally nor equitably liable for such losses. Obviously, the enactment of the pending measure would encourage the submis-

sion of numerous claims in connection with every improvement of navigable waters of the United States.

Upon consideration of the foregoing, and particularly in view of the purely speculative character of the claim, no basis, legal or equitable, exists which would justify payment of the damage claimed. The Department is opposed to the enactment of the pending measure and recommends that it be not enacted.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

WAR DEPARTMENT,
Washington, August 11, 1941.

Hon. WILLIAM A. PITTENGER,
Chairman, Subcommittee, Committee on Claims,
House of Representatives, Washington, D. C.

DEAR MR. PITTENGER: Agreeable with your informal request of August 7, 1941, there are transmitted herewith, in duplicate, photostatic copies of reports dated April 15, 1933, October 24, 1933, and January 5, 1935, relating to the failure of The Dalles-Celilo Canal subsequent to April 1933, which you desire for consideration in connection with H. R. 4999, a bill for the relief of A. V. Allen, individually, and as representative of the Columbia Boat & Barge System, Inc.

Concerning the causes of the original break in April 1933, and subsequent failures of the canal, attention is invited to paragraphs 20 and 21 of the report dated January 5, 1935.

The Annual Reports of the Chief of Engineers for 1933 and 1934 contain the following with reference to the measures undertaken by the War Department to repair the breaks in the canal:

Annual Report, 1933:

"A break occurred in the canal on the night of April 11, 1933, at a point about 6 miles above the lower entrance. A section of river embankment about 100 feet in length was washed out to a depth of about 26 feet below the floor level, and the material under the floor was washed out to a depth of from 20 to 24 feet for a distance of about 350 feet.

"A temporary flume was completed on May 31, 1933, to carry water across the break and thus enable the lower (tandem) lock to be operated.

"Repair work on the break, under contract, was begun during May 1933 but was suspended after about 60 percent of the fill was completed, on account of the annual freshet. Work will be resumed as soon as river conditions permit."

Annual Report, 1934:

"Settlement of the fill under the concrete floor and on portions of the slope lining soon occurred, making further repairs necessary, which repairs were completed by hired labor on March 24, 1934.

"On April 11 a leak developed which caused the failure of a short section of the concrete slope lining on the river side adjoining the work completed on March 24, 1934. Repair work was again begun by hired labor but was soon suspended on account of the rising annual freshet which prevented further work during the year."

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

WAR DEPARTMENT,
OFFICE OF THE DISTRICT ENGINEER,
Portland, Oreg., April 15, 1933.

Subject: Break in Dalles-Celilo Canal, Oreg.
To: Division Engineer, Pacific Division, San Francisco, Calif.

1. During the night of the 11th instant, or early morning of the 12th, a section of The Dalles-Celilo Canal (about 400 feet in length) was destroyed by failure of the river embankment, probably due to seepage of underground waters from the adjoining highlands or a break in the canal bottom caused by settlement. The canal is entirely out of commission.

2. The accident occurred between 11 p. m. of the 11th instant and 5 a. m. of the 12th instant, and there were no eyewitnesses of what actually happened. At 5:30 a. m. of the 12th instant, the canal crew went on duty to lock down a steamboat and barge through the lock at the lower entrance to the canal, and it was then discovered that the water in the pool above the lower (tandem) lock had fallen one-half foot during the night. A telephone message to the attendant at

the upper entrance of the canal to increase the water supply for the lower end of the lock led to the discovery of the break.

3. The break is in a section of canal where the canal prism is constructed in deep sand. The canal cross section is partly in excavation, with an embankment on the river side 15 to 20 feet in height, and with a fill on the land side. (See blue prints herewith.)

4. The river side of the canal embankment and ground underneath it has been eroded for a length of about 150 feet to a level about 20 feet below the level of the canal floor. The ground underneath the canal floor has been eroded for a distance of about 300 feet along the axis of the canal to a depth of from 15 to 20 feet below the level of the canal floor and for the full width of the canal bottom. A portion of the land slope has been eroded in the section.

5. The reinforced concrete lining on the bottom and side slopes of the canal, and the rubble masonry lining above the concrete floor on the land side have been destroyed for a length of about 380 feet, measured along the axis of the canal.

6. A detailed survey is being made of the work necessary to repair the canal. A rough estimate of the cost is as follows:

Restoration of river embankment and filling under canal prism:	
100,000 cubic yards loose rock fill, at 75 cents	$75, 000
2,400 cubic yards reinforced concrete lining, at $10	24, 000
300 cubic yards rubble masonry	2, 400
Miscellaneous work	3, 000
5- by 3-foot flume to carry water across break	2, 500
Total	106, 900

7. There is a large quantity of rock from the canal excavation located about 1 mile from the location of the break in the canal. To transport the rock from the spoil pile to the break in the canal embankment will require about 1 mile of railroad track and a crossing of the canal. A spur track from the main line of the Union Pacific Railroad enters the canal grounds close to the break so that railroad equipment can be delivered close to the work.

8. The river is now at about a 5-foot stage and is at a stand, but the regular spring freshet will soon begin and its crest usually occurs in early part of June. The indications are that, owing to the large snowfall and late spring, the freshet this year will be above the normal height. The river is now about 20 feet below the canal floor and normal freshets are about 20 feet above the canal floor.

9. Unless the river embankment is restored, to at least approximately its original dimensions before high water, the present break will be widened under freshet conditions, as the material of the river bank is fine sand and easily eroded. This will increase the quantity of fill necessary to restore the canal cross-section.

10. The approximate quantity of fill necessary to repair the present damage is 100,000 cubic yards, and, if 1,000 cubic yards is deposited in one 8-hour shift, it will require 100 working days to complete the filling, or 50 working days for two shifts. It will require at least 2 weeks to get in equipment, lay track and begin filling, so that only a short time would remain before high water to deposit sufficient loose rock to protect the lower levels of the river bank even if work began immediately.

11. Provision is now being made to construct a temporary flume across the break in the canal floor in order to carry water for the operation of the lower end of the canal below 5-mile lock where there is a wheat warehouse on the canal bank. Wheat shipping operations from that point will be suspended until the flume is constructed, about 10 days. It is proposed to use available O. & C. funds for this purpose.

12. One river transportation company out of Portland has been hauling wheat from the wheat warehouse on the canal and had made arrangements to extend their service to river points above the canal to begin May 1, 1933.

13. A barge company is in the process of organization to handle wheat from points above the canal, but this is believed to be a promotion project and depends on raising the necessary funds to start operations. It is not sponsored by a boat company.

14. There has been no regular navigation through the canal for about 10 years, but recently, owing to the high railroad freight rates, a number of trips have been made through the canal. There were no boats from the lower river above the canal when the accident occurred.

15. There is only one steamboat on the Columbia and Snake Rivers above the canal, and this boat (a railroad-owned boat used on Snake River to transfer wheat)

was to go to Portland for repairs about April 16, but will now have to wait until the canal is placed in commission, or make repairs on Snake River.

16. A survey is now in progress to ascertain the extent of the damage and the cost of making repairs. Detailed estimates and plans with recommendations will be submitted at an early date.

OSCAR O. KUENTZ,
Major, Corps of Engineers,
District Engineer.

[First endorsement]

OFFICE, DIVISION ENGINEER, PACIFIC DIVISION,
San Francisco, April 18, 1933.

To the CHIEF OF ENGINEERS, United States Army:

1. Inspection of the break was made by the division engineer on April 12. It appears that the break resulted from a surplus of water in the sand bank upon which the canal was built, causing internal hydrostatic pressure in the sand under the canal lining. Some of the water that apparently had saturated the fill might have come from the canal due to seepage through the lining, but it was observed after the break occurred that water from land drainage was flowing through the bank into the hole left by the slide. The slide occurred at the natural drainage point for a small area (probably 50 acres) lying south of the railroad. A culvert leads the drainage from this area under the railroad. The north end of this culvert is buried and the water draining through it feeds into the sand under the canal through which it must seep to escape into the river. Plans for repairs to the canal should provide for drainage.

2. It does not appear practicable to make complete repairs before the next high water. Construction of a flume to keep the lower end of the canal in operation is now in progress. Consideration is being given to the advisability and cost of partial restoration of the embankment on the river side before high water. Further report on the matter will be submitted as soon as practicable.

THOMAS M. ROBINS,
Lieutenant Colonel, Corps of Engineers,
Division Engineer.

WAR DEPARTMENT,
OFFICE OF THE DISTRICT ENGINEER,
Portland, Oreg., October 24, 1933.

Subject: Report on repairs to The Dalles-Celilo Canal, station 300–303+50.
To: The Division Engineer, Pacific Division, San Francisco, Calif.

1. The following report is submitted on repairs to the break which occurred in the Celilo Canal on April 11, 1933. A preliminary report on the break was submitted April 15, 1933.

2. The break occurred during the night of April 11–12, 1933. A section of river embankment was washed out for a length of about 125 feet down to elevation 53 of canal datum. The gap cut through the river embankment was 86 feet at elevation 53 and 176 feet at the top of the embankment, approximately elevation 103.0. See photograph 3405–G.

3. The cross section of canal at the break was partly in excavation and partly in fill. The excavated portion was about 9 feet deep and in drift sand, which has a depth of gravel bed of from 40 to 60 feet below the canal floor in the vicinity of the break, and immediately west of the break the depth of sand is about 80 feet below the canal floor. The river embankment was 12 to 14 feet in height, 20 to 30 feet wide on top and foundation sand. The core of the river embankment was of sand and gravel from the adjoining excavation and this core was covered with rock excavated from the canal section above and below the sand and gravel section. (See print D 192, herewith.)

4. The break caused the material under the concrete floor (mostly sand) to be washed out to a depth of from 20 to 27 feet and for a distance of about 350 feet in length along the canal center line. The concrete floor and slope linings were broken up, and some of the fragments carried into the river.

5. No satisfactory explanation can be made of the cause of the break which occurred between about midnight and 5 a. m. of April 12, 1933. Although there was no evidence of settlement of the river embankment at the site of the break a

few days before the break occurred, it is probable that there was a slow leak in the canal lining which undermined the river embankment at the site of the break, and caused this section of embankment to settle sufficiently to allow the water in the canal (about 12 feet in depth) to flow over the top of the reinforced concrete slope lining and made the gap in the river side of the canal, which allowed all of the water in the pool between Celilo Lock and Five-Mile Lock (about 8 miles in length) to flow out into the river. The effect of the outflow was to break up the concrete floor and river slope concrete lining. A section of rubble slope lining about 320 feet in length on the landside slid into the hole. The landside of the canal at the break was, with the exception of the loss of the rubble slope lining, not much damaged and only a relatively small quantity of material under the rubble slope lining was disturbed.

6. A report on the damage was made on April 15, 1933, with approximate estimate of repairs. This was followed by a second report dated April 21, 1933, giving an estimate of repairs needed and the cost. A few days after the accident occurred, bulkheads were constructed across the canal, one above and one below the break, and connected with a flume supported on piling to furnish water for the operation of the canal below Five-Mile Lock.

7. Notice of allotment of $86,000 was received (dated April 27, 1933), and a contract let on May 4, 1933, for the replacement of the river embankment and fill under the canal floor. Flood conditions suspended this work on June 2, 1933, and work was not resumed until August 11, 1933. This contract was finished on August 22, 1933.

8. A second contract was let on August 28 for the replacement of the reinforcement concrete floor, the slope lining on the north side, and section of mortar rubble slope lining on the landside.

9. Some settlement of the new fill under the floor section of canal took place shortly after the new fill was completed and some additional filling was necessary to bring the fill under the concrete floor up to subgrade.

10. The subgrade under the concrete floor lining was compacted by means of a 15-ton bulldozer and trucks, except the area covered by the flume, which prevented a space about 20 feet wide from being compacted. The area under the flume was compacted, to some extent, by the leakage of water from the flume. The concrete floor between the landside slope and the flume was placed first; then the floor between the river slope and the flume. The river slope lining was placed next, and the area under the flume was placed last. The placing of the rubble slope lining was in progress while the concrete was being placed.

The flume used for carrying water across the break was removed on September 18, and the area under the flume was brought to subgrade by additional filling and the last section of concrete floor, about 22 feet in width and 350 feet in length, was placed in 2 days and 2 hours' time, and completed on September 21, 1933. The upper bulkhead across the canal was removed on September 19, and the lower bulkhead on September 22, which allowed the concrete floor to be covered with about 18 inches of water.

11. Water was allowed to enter the canal below the Celilo Basin at 1 p. m. on September 24, and the water reached the repaired section about 7 p. m. At 7 a. m. of September 25, with gage reading 84.8 (top of concrete floor elevation 79.5), a considerable flow of water (about 10 second-feet) was observed flowing under the river embankment and through the gap in the sand bank on the river side of the canal. The valves at Celilo entrance were closed and the water in the canal below Celilo lock to 5-mile lock was allowed to drain into the river through the sluice gates at Celilo and at the head of 10-mile lock. The water level lowered rather quickly to a depth of about 3½ feet above the floor level in the repaired section of the canal and then more slowly owing to the sand deposit in the canal prism immediately below the repaired section and between the repaired section and the sluice gates into the river above 10-mile lock.

12. The water level in the repaired section of canal lowered to about 1 foot above the top of the concrete floor and this water did not drain out until holes were drilled in the floor to ascertain the extent of settlement of the subgrade under the canal floor.

The repaired section was finally unwatered on September 26, and the floor surface was dry on September 29, and was cleaned of sand to permit an inspection of the floor to be made.

13. The surface of the floor was found to be in good shape, a few cracks were found but no serious damage to the floor was indicated. The floor as a whole was about at grade but there were several low spots in the floor surface indicating that some settlement of the fill under the floor had taken place.

14. The holes drilled through the concrete floor showed that where the holes were drilled the subgrade had shrunk sufficiently to leave a space of from 0 to 6 inches between the surface of the subgrade and the under side of the concrete floor. The concrete slope lining on river side of canal cross section has not settled to an appreciable extent, but one or two hair cracks were found.

15. On the land side at the upper (east) end of the new work, there were several cracks in the rubble slope lining. The joint between the rubble slope lining and the concrete floor at the east end of the new work, had opened from ¼ inch to 1 inch in width for a distance of about 30 feet, due to settlement of the concrete floor.

16. At the lower (westerly end) of the new work, there was some, but no serious settlement of the concrete floor, but the joint between the concrete base and the rubble lining opened for a distance of from 20 to 25 feet, and there was a cavity under the rubble slope lining (about 30 feet in length, 2 to 3 feet in height and 10 feet wide measured on the slope) due to settlement of the material under the rubble slope lining. There was, however, no settlement of the subgrade under the concrete floor in this vicinity on the land side of the canal. There is no indication of serious settlement of the rubble masonry itself. The joint between the rubble slope lining and the concrete, except for the cracks at the upper and lower ends of the work, had not opened.

17. From the above, it is evident that it will be impossible to carry the canal across the site of the old break, except through a reasonably watertight structure. On account of the inability of the rubble masonry on the landside to take tension without serious cracking, it is necessary to place a reinforced concrete wall properly tied in to the reinforced concrete floor in front of the rubble. In order that this reinforced concrete wall may move down with any additional settlement of the floor, it will be necessary to provide a smooth nonadhesive surface between the rubble and the new reinforced concrete wall.

18. It is proposed, therefore, to repair the rubble slope lining, where it is damaged, and place a cushion of sand and clay about 3 inches in thickness on the rubble slope, to provide a reasonably smooth slope. This cushion to be covered with one layer of roofing paper. A slab of reinforced concrete 8 inches in thickness will then be placed to cover the landslide slope over the new work section and overlapping the old slope lining, 20 to 25 feet at each end of the new work.

It is proposed to fill the cavities under the floor lining with concrete placed through holes to be cut in the present floor lining where the cavities are large enough to require filling to support the concrete floor.

19. The estimated cost of the repairs outlined above is as follows:

(*a*) Repairs to rubble lining	$500
(*b*) Cutting trench in concrete floor to bond new slope lining	200
(*c*) Cushion of sand and clay, 1,200 square yards, at 25 cents	300
(*d*) Layer of roofing paper, 120 squares, at $1.50	180
(*e*) Asphalt (emulsified) for sealing joints	20
(*f*) 300 cubic yards of concrete, at $18 per cubic yard	5, 400
Total	6, 600
Filling cavities under floor	1, 000
Flume (building and tearing down)	800
Miscellaneous expense	500
Total	8, 900

20. Owing to the difficulty of getting satisfactory bids on repair work and the length of time necessary to secure bids, it is recommended that the work be done by hired labor. There is suitable plant (one concrete mixer, one air compressor, and small tools) now on the canal that could be used for the repair work.

21. The available balance to keep within authorized withdrawals of "operating and care" funds for The Dalles-Celilo Canal, is approximately $13,000, which will be sufficient to make the proposed repairs and carry the operating crew for about 2 months. The available balance of funds without considering withdrawals is approximately $96,000, and a revised subproject will be submitted requesting an increase in the withdrawals to cover the proposed repairs, if approved, construction of a new dredge for the canal, and for dredging operations, which will be extensive, owing to the large quantities of sand deposited by the last June freshet. There is also the accumulation of a number of previous years of river deposit which was not removed, except for a sufficient quantity annually, to permit light draft navigation.

22 In order to carry out the plans outlined above, it will be necessary to increase the authorized withdrawals from $63,800 (the present authorized withdrawals) to $120,000.

The total amount to be accounted for the fiscal year 1934 is $147,886.08, so that no additional funds will be needed to carry on the work.

23. Please return the enclosed photograph.

C. F. WILLIAMS,
Major, Corps of Engineers,
District Engineer.

WAR DEPARTMENT,
OFFICE OF THE DISTRICT ENGINEER,
Portland, Oreg., January 5, 1935.

Subject: Report on the Dalles-Celilo Canal failure near Station 300.
To: The Division Engineer, North Pacific Division, Portland, Oreg.

1. Failure of April 11, 1933, and subsequent repairs completed September 25, 1933, and failure of September 25, 1933, with further proposed repairs, are covered by report of district engineer dated October 24, 1933, and first endorsement of division engineer (503 Dalles-Celilo Canal, 4.3), dated October 27, 1933. (E. D. 7245, Dalles-Celilo Canal, 27). (See maps D–317 and 318.)

2. Further repairs proposed in this work were begun on November 1, 1933, and completed March 24, 1934. Work was done by the Government with hired plant and hired labor. The work consisted of (1) removal of rubble masonry on the south canal slope and replacement with hand-laid riprap, covered with a reinforced concrete slab, and (2) grouting of foundations under the floor of the canal and under the lining on the north canal slope. (See map G–11–43.)

3. On the south slope the original rubble masonry was removed, and replaced by riprap. Riprap was compacted with a heavy hand tamper, operated by three men. The riprap was brought to an even surface by a thin layer of cement sand mortar. On this surface hot asphalt was applied and covered with six-ply paper which was in turn covered with a second coat of hot asphalt. On top of all was placed a reinforced concrete slab, 8 inches thick. This feature of the work was begun November 1, and completed December 12. The concrete slab was laid in alternate 8-foot sections, with irregular joints for water-tightness. Slip joints were provided at each end of the slab. The slab was tied to the floor concrete by ⅝-inch rods on 6-inch centers. Concrete specifications required an average strength of 3,800 pounds for 28-day concrete. Following are significant details of the work:

Quantity of concrete	260 cubic yards.
Cement in concrete	1,560 sacks.
Cement per cubic yard of concrete	6 sacks.
Water per sack of cement	5.55 gallons.
Mix	1 : 2 : 3¼.

The total cost of the above work was as follows:

Preparatory work and riprap	$3, 749. 99
Slip joint and mortar	1, 057. 52
Concrete slab	4, 858. 48
Overhead	785. 00
Total	10, 450. 99

4. The above type of impervious lining, with slip joint underneath, was used to prevent fracture in case settlement of the floor occurred. Subsequent subsidences of the floor proved the efficiency of the joint as they were not accompanied by failure of the slope lining. They were accompanied by a slight separation of the slope lining and the rubble masonry above, well above the high-water line in the canal.

5. Settlement under the floor occurred mainly on the north half, near the ends of the new section. The fill under the floor was found (by test holes) to be very irregular, with openings a foot or more in depth between the floor and the fill and large voids in the fill itself. To fill these voids, holes were drilled in the floor and grout applied. This work began December 12, and was completed March 24. Grout holes were drilled about 8½ feet center to center. Grout consisted of a mixture of one part cement to seven parts sand. This sand is very fine, about 92 percent passing a 100-mesh screen, and has the following characteristics:

Fineness modulus	0. 09
Specific gravity	2. 62
Weight per cubic foot	163. 5
Percentage of voids	48. 7

6. Grout was piped into the holes under a 12-foot head, with intermittent application of 60 pounds' air pressure to increase the spread. A spread of from 3 to 30 feet was obtained. Holes were finally filled under the pressure obtained by the 12-foot head. Doubtful holes were reopened and again grouted to refusal. High water in the river during the grouting period caused additional settlement of the fill underneath the floor. After the high water had subsided, all grout holes were reopened and again grouted to the point of refusal.

7. On March 11, about 3 months after the beginning of grouting, nearly a full head of water was turned into the canal. Under this head a settlement occurred under a section of the floor near the north slope that had not been grouted. Investigation disclosed openings under the floor and the adjacent slope lining. These openings were filled with grout.

8. Levels taken during the 3-month grouting period showed only slight settlement of the floor. The canal was tested under full head March 24 and was apparently stable. To complete the work, all grout holes were cleaned out and filled with concrete, wide cracks drilled out to a depth of 4 inches and filled with asphalt, and small cracks sprayed with asphalt. At the end of the month there was sufficient water in the canal to pass boats of 5½-foot draft.

9. The canal was operated under the above head until April 7 when failure of the concrete lining on the north slope occurred near station 304. The section affected was located at the juncture between the east end of the new lining, placed after the break of April 1933, and the original lining. Removal of the broken concrete disclosed large openings in the foundation under the lining. Apparently the fine sand underlying the loose rock on which the lining had rested had washed away into voids in the rock fill, placed in the original break of 1933, causing settlement and consequent fracture of the lining.

10. Aside from removal of broken lining, no work was done on repairs until after the high-water season. By April 25 the canal was filled from the river, water entering through the broken section to sufficient depths to permit passage of river steamers.

11. During the high-water season ground-water investigations were made in the vicinity of the canal in an effort to ascertain the cause of the canal failures. Pipes and test pits were driven to ground water and readings made daily throughout the high-water period. Results were largely negative but in a fairly satisfactory manner eliminated consideration of ground water from higher ground adjacent to the canal as endangering the canal prism. Test pits in the new north embankment showed voids filled with fine sand in the upper 16 to 20 feet, but open below. The elevation in the embankment below which the fine sand disappeared is about 5 feet below high-water elevation in the canal. Elevations were read at regular intervals on points on the canal floor and slope lining where observations had previously been made. Variations from previous readings were small, with no settlement of consequence indicated.

12. With favorable river stage, repair work was resumed on the canal. The initial step was construction of a longitudinal timber bulkhead around the section of the north embankment where failure had occurred, or seemed imminent. This measure was taken to permit passage of boats through the canal pending a water stage in the river favorable for conduct of permanent repair work. (See map H–10–100.)

13. The timber bulkhead was constructed during the period July 5 to July 19. On July 19 a sufficient head of water was turned in the canal to permit the passage of boats. This bulkhead was designed to carry a 12-foot head of water. Triangular bents were constructed on 4-foot centers, sheathed with 2- by 12-inch planking and surfaced with 1- by 6-inch tongue and groove flooring for water tightness. Bottom bent timbers were securely bolted to the concrete floor. The cost of the structure was $3,558.54. The total length was 560 feet, extending from station 299+10 to station 304+70. (See map H–10–100.)

14. During the entire period just described there was a noticeable flow of about 4 to 6 cubic feet per second through the river embankment, concentrated at about station 302, the approximate center of the original break of April 1933. Ground-water investigations previously described, and the use of various chemicals for tracing the flow of underground water and water from the canal, indicated that the principal source of the flow under the canal was from the canal itself, probably through leaks. This escaping water was of sufficient volume to move fines in the

canal foundations, carrying them to adjacent open portions of the fill, or into the river. The corrective measure adopted was replacement of fine material in the voids of the foundations, using a material considerably coarser and heavier than the original fine. A satisfactory sand was found in quantity about 7 miles from the site of the work. Comparative characteristics of the two sands are shown below:

	Grade of sand	
	Fine	Coarse
Fineness modulus	0.089	2.23
Percentage retained on 100-mesh screen	8.2	98.6
Specific gravity	2.62	2.78
Weight per cubic foot	163.48	173.47
Percentage of voids	48.7	41.0

15. Placing of coarse sand in foundation voids was begun September 15. Sand from the pit was dumped in a bin on the south bank, barged to the point of use, and carried in a flume, by gravity, to openings cut in the slope lining at the toe. Sluicing of the sand in the fill was accomplished by water flowing by gravity through flumes from the canal. By November 3, a total of 2,160 cubic yards of sand had been placed in two openings in the north slope. The cost of this sand was about $1.90 per cubic yard in the fill. It was found that about 10 percent of the sand thus placed was carried through the fill and into the river by the water used in sluicing. To insure against this loss, and further loss of original fines, it was decided to provide a protective blanket between the outside slope of canal embankment and the river. A porous material was desired for this blanket which would allow passage of water, but which would by filter action retain the sand. Such a material was discovered in quantity, one-half mile from the site of the work. This material was a mixture of fairly clean fine graded sand and gravel. Gravel was well graded from one-fourth inch to 8 inches, about 70 percent being retained on a ¾-inch screen. About 92 percent of the sand was retained on a 100-mesh screen. Voids in the gravel were 40 percent, in the sand 43 percent, and in the mixture as a whole 19 percent. (See map H–10–100.)

16. Contracts were made for delivery of 25,000 cubic yards of the sand and gravel mixture in place. Delivery began November 14 and has continued at the rate of about 4,000 cubic yards per week. The work will be completed about January 5, 1935. The sand and gravel blanket has been placed in thin layers, well compacted by trucks and caterpillar. It has proven successful in preventing further loss of sand from the canal foundations, while permitting free passage of sluicing water.

17. About November 1, 1934, cracks were noticed in the slope lining on the south bank of the canal, near the west end of the concrete slab placed in November and December 1933, as described above. Investigation disclosed a major subsidence of the foundation under the slab, similar to previous subsidences. On unwatering the canal, it was found that the rubble masonry slope lining, between the west end of the concrete slab and an unlined rock section of canal, 200 feet to the west, contained numerous cracks through which water was passing from the canal. Sand foundation on which the rubble rests, was saturated with water, and had little bearing capacity. To permit use of the canal by boats during the period of repairs a second timber bulkhead dam was built around the weak section of embankment on the south side of the canal. This bulkhead extended from station 297+80 to 303+70. Construction was begun November 13 and completed November 24. The cost was $3,547.17. The design was the same as for the bulkhead dam on the north side described above. (See maps D 317 and H–10–100.)

18. It was noted that the flow through the north embankment, described above, decreased as the water was lowered in the canal and ceased entirely when the canal was completely unwatered. On restoration of water to the canal, after the construction of the bulkhead around the cracked rubble section, there still was no flow through the embankment. This indicated that practically all canal leaks in the vicinity of the weak section were in the faulty rubble.

19. Sluicing of coarse sand in the voids of the foundations was discontinued during construction of the timber dam, and was resumed November 26, on the south side. By December 20, 2,720 cubic yards had been placed in four holes

near the toe of the slope lining. This sand was dumped near the point of use, and the cost in the fill has been about $1.25 per cubic yard.

20. *Cause of original break.*—It is now clear to me that the original break in April 1933 was caused by leaks in the rubble slope lining on the south side of the canal. At this site of the break the low water line of the main river approaches within 170 feet of the center line of the canal. At low water the percolation ratio was only one vertical on three horizontal, an unsafe factor considering the fine sand upon which the canal was founded. The minor leaks through "piping" eventually undermined sufficient of the concrete floor lining to cause a break and the consequent flood of water washed out a large section of the embankment.

21. *Cause of subsequent failures.*—The embankment was rebuilt using about 70,000 cubic yards of spoil from excavation through rock cuts left in dumps after the original canal construction. This material had a high percentage of voids. Subsequent failures have been caused by leaks in adjacent sections of the canal carrying the fine sand from under these sections into the voids under the repaired section of the canal.

22. *Remedies.*—Having determined the causes, the remedies under way and proposed are as follows:

(*a*) Stop the leaks. This has been accomplished temporarily by building the longitudinal timber bulkheads along each side. Permanent treatment will consist of replacing all rubble slope lining from the site of the break west to the rock cut with reinforced concrete tied into the reinforced concrete floor, and probably several layers of roofing material and asphalt on top of the lining throughout.

(*b*) Fill the voids in the rock fill. This is being accomplished as outlined above and will be continued with additional funds to be requested.

(*c*) Increase the percolation ratio. This has been accomplished by the gravel blanket placed on the river slope as described above. Not only has the percolation distance at low water been increased on an average of 150 feet but also the filter action of this well-graded material will insure against further loss of material from under the foundation.

23. Repairs to concrete slope linings will be deferred until after the next high water in the Columbia River, which will probably occur in the period May to July 1935, to permit settlement of foundations. An estimate of cost of and funds required for such repairs will be submitted at a later date.

C. F. WILLIAMS,
Major, Corps of Engineers,
District Engineer.

LAW OFFICES, BEN S. FISHER,
Washington, D. C., August 14, 1941.

HOUSE OF REPRESENTATIVES,
Committee on Claims, Washington, D. C.

The evidence submitted to the subcommittee revealed that through the exchange of letters and verbal understandings with the United States Government and officers of the Columbia Barge Co. that there existed thereby an implied contract between the parties thereto and a strong moral obligation (if not a legal obligation) to said claimants.

During the period of organization members of the Columbia Barge Co. called on the United States district engineers at Portland to seek advice as to the feasibility of engaging in transportation by boat and barge to and from the upper Columbia River district as well as to secure the cooperation of the said department and to ascertain if this operation were to start that the company would be assured an open and unobstructed river upon which to navigate. Verbal assurances were in the affirmative. Officers of the Columbia Barge Co., during March 1933, called on Mr. R. R. Tinkham, superintendent of lighthouses, Seventeenth District, and asked for cooperation from that department and assurance that proper channel markings, buoys, and lights would be provided as aid to the company in navigation. Superintendent Tinkham executed said agreement in writing at the request of the Columbia Barge Co. By early April officers of the Columbia Barge Co. called on Maj. Oscar O. Kuentz, United States district engineer, and requested that he reduce to writing similar assurance prior to the company starting their operation in July 1933. Such a letter was written to the Columbia Barge Co. by the district engineer, dated April 14, 1933. The company, with these written assurances, had every reason to believe they had safeguarded themselves for an open, unobstructed, navigable river with proper channel markings, and felt safe in proceeding with their organization.

On April 11 and 12, 1933, a 200-foot breach occurred in the wall of The Dalles-Celilo Canal. The district engineers declared to officers of the Columbia Barge Co. that said breach could readily be repaired within 60 to 90 days if funds were immediately made available so work could start at once, further stating the special repair fund in hand to be insufficient. Officers of the Columbia Barge Co. thereupon suggested discontinuing their operation, due to the said break, which was scheduled to start by late July 1933. When asked by representatives of the Columbia Barge Co. why a request for an emergency repair fund could not readily be made by the Portland district engineer to the Chief of Engineers in Washington, D. C., the Columbia Barge Co. officials were informed that due to entire lack of commercial navigation through The Dalles-Celilo Canal the Chief of Engineers, quite naturally, would not understand the reason an emergency repair would be justified. Officers of the Columbia Barge Co. thereupon definitely stated they would discontinue further effort and work toward starting the boat and barge operation during 1933. At this point the district engineers suggested and agreed that if the Columbia Barge Co. would write letters to Washington, D. C., convey information pertaining to the large boat and barge operation to start in late July 1933 and of the great benefit to the farmers, wheat growers, in the matter of 37 percent freight saving, the Chief of Engineers and officials in Washington would recognize the urgency and need for declaring an emergency appropriation for the immediate repair thereof. The Columbia Barge Co. officials hesitated writing such letters until informed by the United States district engineers that if these letters were written and the company succeeded in getting an early appropriation and an emergency declaration from Washington, the United States district engineers could and would positively complete repair to this small breach within the time specified in said letters, all of which indicated late July 1933.

The documented evidence in the transcript of the meeting before the subcommittee of the House of Representatives August 7, 1941, set forth clearly an appropriation of $86,000 was made available, an emergency was declared and Maj. Oscar O. Kuentz was to proceed at once to make the repair by a contract. The letter from the Chief of Engineers' office addressed to the Columbia Barge Co., dated April 28, 1933, signed by Lt. Col. John J. Kingman, Corps of Engineers, says in part as follows:

"I am in receipt by reference of your letter of April 15, addressed to the President, calling attention to a break in The Dalles-Celilo Canal embankment in Oregon, and urging that repairs be undertaken immediately to permit restoration of traffic in the canal * * *.

"I am pleased to inform you that the district engineer at Portland, Maj. Oscar O. Kuentz, has been instructed to secure bids and proceed at once with the repair of the canal by contract, the allotment of funds therefor having been approved by the Secretary of War on April 27."

It is noted therein the order issued by the Chief of Engineers' office to Maj. Oscar O. Kuentz that he immediately let a contract for the immediate repair of said break. Officers of the Columbia Barge Co., the company contract shippers and all other interested parties thereto, accepted the contents of said letter literally in that a contract, one contract, was ordered to be let for the complete repair of said break. Subsequent events revealed the fact that Maj. Oscra O. Kuentz took it upon himself to disregard the order received from the Chief of Engineers, and decided to let two contracts. A contract for the necessary rock fill was awarded to Guthrie McDougall Co., of Portland, Oreg., for approximately $24,000 in May 1933. When Mr. A. V. Allen, manager of the Columbia Barge Co. and Mr. L. R. French, agent for the farmers, while soliciting contracts in the Wheat Belt, ascertained that Major Kuentz had so disregarded this order, they immediately returned to Portland, called on Major Kuentz to ask why he had let only a portion of this contract to complete the repair when the Chief of Engineer's letter to the Columbia Barge Co. said conclusively and emphatically that a contract was ordered to be let. Major Kuentz informed Messrs. Allen and French that he had his personal reasons for making and completing the repairs through letting two contracts; that in so doing the second contract would follow immediately upon completion of the first, or rock fill contract, and that there would be no delay occasioned thereby. Major Kuentz further told Messrs. Allen and French that he would conduct his office and advised Messrs. Allen and French that they had sufficient work in completing their own organization and that they need have no fear that the said repair to the canal would not be completed within the time specified and suggested that they return to their duties connected with the Columbia Barge Co.

Major Kuentz was transferred from the Portland district as of August 1, 1933, and was succeeded in office by Maj. Charles F. Williams as of said date. Although

Major Kuentz wrote a letter to the Columbia Barge Co., dated July 6, 1933, that he estimated said repairs would be completed by approximately September 1, 1933, a postponement therein of a month beyond the original date agreed upon, he left said office as of August 1, 1933, without having let the contract for the final completion of said repair.

About the middle of August 1933, having learned that the second contract had not been let, members of the Columbia Barge Co. called on Major Williams to ascertain just why such negligence and disregard of an order executed by the Chief of Engineers existed. The Columbia Barge Co. representatives learned that Major Williams was totally unaware of the existence of any emergency for the repair of the canal. Major Kuentz, seemingly, had left the office without conveying such information to his successor, and the final contract to complete the repair was let by Maj. Charles F. Williams on August 25, 1933. These repairs were made by Guthrie McDougall Co., the same contractors who made the rock fill.

The documented evidence of record in the transcript of the meeting before the subcommittee of the House of Representatives on August 7, 1941, indicates clearly the inefficiency, negligence, and entire lack of engineering skill and ability of the United States district engineers by virtue of having turned pressure of canal water on wet and unset concrete and mortar the same day upon which the contractor completed his work, Sunday, September 24, 1933, which was 9 days prior to the date agreed with the contractor and officers of the Columbia Barge Co. that water would be permitted turned into the canal. This seemingly unauthorized act by a junior United States district engineer, although the responsibility for such act was assumed by Maj. Charles F. Williams, so destroyed the section of the canal in question that it took the United States district engineers until late November 1934 to complete temporary rectification by ultimately constructing a wooden flume in order to allow passage of vessels, boats, and barges through the canal.

On June 23, 1933, the Columbia Barge Co. wrote the district engineers, attention Maj. O. O. Kuentz, in part as follows:

"Confirming our conversation of yesterday, we have proceeded in the conduct of our business along the lines you indicated and advised early in April and we have now acquired signed contracts from the wheat farmers of the upper Columbia River, in excess of 50,000 tons for delivery to tidewater this year. We are advised that harvest is scheduled to start at Sundale, Wash., about July 12 * * *.

"We realize that our company is pioneering navigation with boats and barges in the upper Columbia River for the first time in history. By so doing we are paving the way for future expansion of said operation by others. Through our experience this year, and the data we will acquire for your department, the United States engineers will profit greatly without expense. Also will the Department of Commerce, as our company has agreed to locate and place in position all necessary spars and buoys without cost to said Department."

Under the existing circumstances there remains no doubt or question that the Columbia Barge Co. was fooled and deceived into going ahead, perfecting and organizing a complete navigation transportation system, having secured leases and charters on boats and barges, options and leases on 12 landing sites, engaged a full operating personnel on both land and water. Furthermore, the company brought in boats and barges from Everett and Grays Harbor, Wash., and were in complete readiness to start operation on September 1, 1933, a month later than originally anticipated. These boats and barges were moored in Portland, Oreg., awaiting only the opening of the canal in order to start moving wheat and farm products from the upper Columbia River to tidewater ports in the fulfillment of the company's contractual agreements made and executed with 138 individual farmer-owners and aggregating in excess of 100,000 tons of farm product for annual transportation.

Completing repairs to the break in the wall of The Dalles-Celilo Canal late in November 1934, as admitted by the Army engineers, precluded the Columbia Barge Co. from operating during either the years 1933 or 1934, thereby causing substantial damages to this company, putting them out of business and making it impossible to carry on their operations and subsequent events in the construction of the Bonneville Dam made navigation hazardous and practically impossible to start any operations during the year 1935 or thereafter.

In conclusion and based on the facts of the case, as presented to the subcommittee and as herein enumerated, I feel that it is a moral obligation upon the United States to reimburse the Columbia Barge Co. for the losses they have actually sustained in moneys paid out, moneys due and owing to certain parties and moneys due to Mr. A. V. Allen.

I maintain there is a further financial loss and obligation on the part of the United States in the amount of $50,000 due to the loss of transportation business of the Columbia Barge Co., based upon definite contracts which this company had with various farmers to handle their wheat for the years 1933 and 1934, the said volume of the wheat to be handled in excess of 100,000 tons and, as shown by exhibits, would return a profit of over $50,000 a year for those 2 particular years.

Claimant has only asked for $50,000 for these losses and this is certainly a reasonable sum to be requested from the United States. It is, therefore, urged that the Congress of the United States enact H. R. 4999, a bill for the relief of the Columbia Barge Co. and Columbia Boat & Barge System, Inc., in the sum of $99,600, and make proper provisions for the immediate payment thereof.

These claimants performed their agreements in full and relying upon those agreements, undoubtedly made certain financial losses. The United States failed completely to keep their part of the agreements and, as a result thereof, this company did sustain substantial damages and a moral obligation now exists on the part of the United States to reimburse this company and these individuals in part at least.

Respectfully submitted.

BEN S. FISHER, *Attorney.*

STATEMENT OF FINANCIAL LOSS OF COLUMBIA BOAT & BARGE SYSTEM, INC., SUCCESSOR TO COLUMBIA BOAT CO.

Capital stock, issued and paid for	$8,000
Agents claims, attorney fees, all field work	17,600
A. V. Allen, personal service, 1933–34	24,000
Destruction of complete transportation system	50,000
Total amount claimed	99,600

CORPORATION DEPARTMENT,
Salem, Oreg., November 28, 1938.

Mr. A. V. ALLEN,
Portland, Oreg.

DEAR MR. ALLEN: Authority is hereby granted to you to receipt for and disburse any and all funds for and in the interest of the creditors and stockholders of the Columbia Boat & Barge System, in the process of dissolution since January 4, 1937.

This is intended to convey authority for settling and disbursing your claim against the United States Government, when adjusted and paid.

Very truly yours,

CORPORATION DEPARTMENT,
By CHAS. A. GOODWIN, *Auditor.*

CAPITAL STOCK

Capital stock issued and paid for	$8,000
Distribution of capital stock; stock issued Aug. 26, 1933, by vote of Columbia Boat & Barge System, Inc., directors to refund cash paid out by Columbia Barge Co. (organizing company operating under assumed business name)	4,000
Cash paid into treasury of Columbia Boat & Barge System, Inc. ($5,000 Pacific Mill Co. bonds sold by company to net $4,000)	4,000
Disbursement of cash funds:	
Payment on boat and barge charters	500
Office rent	200
Incorporating costs	150
Gas, oil, provisions, and incidental supplies for towing 2 boats and barges from Grays Harbor, Wash., late in August 1933	500
Travel expense (A. V. Allen, L. R. French, O. B. Setters, F. Raicy)	250
Bulkheads on barges (lumber, labor, and hardware)	500

Disbursement of cash funds—Continued.	
District meeting with contract shippers	$150
Telephone, telegraph, and stamps	50
Work on landings (lumber, hardware, and labor)	200
Appropriation by directors and expended to cover expenses of A. V. Allen, L. R. French, O. B. Setters, in attempt to hold organization together for starting operation in July 1934 (arrangements were consummated, but Celilo canal was still not repaired)	1, 500
Total	4, 000

STATEMENT OF ADJUSTED CLAIMS

O. K. Atwood, cash advanced	$3, 000
L. R. French, president, and agent of farmers	2, 500
O. B. Setters, secretary	2, 500
M. G. Allen, treasurer	1, 600
J. H. Bailey, adjusted trucking contract	2, 500
J. B. Pfouts, legal consultant, bill rendered	1, 250
A. A. Leppoluota, captain, bill rendered for balance due	350
Frank Raicy, dispatcher, bill rendered for balance due	150
W. M. Allen, stenographer	2, 400
9 field supervisors, adjusted balance due, at $150 each	1, 350
Total	17, 600

O. K. Atwood: Cash advanced to A. V. Allen for industrial survey work, 1931, 1932, 1933, preparatory to inauguaration of Columbia Barge Co.; in addition rendered valuable data and services.

L. R. French: Adjusted compensation for assistance in securing 138 individual shipping contracts and 12 landing sites and continuous working in all districts to hold contracts for 1934 shipment by request of company board of directors.

O. B. Setters: Adjusted compensation for services rendered as secretary for Columbia Barge Co. and Columbia Boat & Barge System, Inc.; continued said service through 1934 at request of board of directors without drawing compensation.

M. G. Allen: Adjusted compensation due for services as treasurer and providing necessary banking finances.

J. H. Bailey: Adjusted compensation due to unavoidable breach of agreement in fulfilling trucking contract hauling wheat from farms by auto truck for direct loading.

W. M. Allen: Adjusted compensation for stenographic services rendered 1933–34; amount of compensation due but not drawn; provided all stenographic services for above period.

Ned Strahorn and H. B. Holdeman, field supervisors: Secured more than 50,000 tons shipping contracts in Pendleton, Oreg., district; held contracts in force through 1934; assisted in arranging leases and options for landing sites at Cold Water and Umatilla, Oreg., and had agreements to operate said stations.

Jens Torjesen, field supervisor: Assisted Strahorn and Holdeman secure shipping contracts in Helix, Oreg., district; helped secure landings and hold contracts in district through 1934; also was employed to work at landings.

Alfred Owsley, field supervisor: Assisted Allen and French secure shipping contract in the Arlington, Blalock, and Quinton, Oreg., districts; worked through 1933 and 1934 to hold all contracts in force; agreement to supervise these three stations, and assisted in securing landing arrangements at these three stations.

John Saunders, field supervisor: Assisted in securing shipping contracts in Bickleton, Sundale, Alderdale, and Roosevelt, Wash.; arranged for landings at said stations; agreement to supervise above stations; held all shipping contracts there in force through 1934.

Carl and R. H. McKean, field supervisors: Assisted in securing shipping contracts in Sherman County, Oreg.; held all contracts there in force through 1934.

Charles Jensen, field supervisor: Assisted in securing contracts in Bickleton, Wash.

C. H. Lindeman, field supervisor: Assisted in securing contracts in Sherman County, Oreg.; labor on Celilo landing.

A. V. ALLEN, PERSONAL SERVICE, 1933–34

Made extensive industrial survey of the entire Columbia River district prior to 1933, at his personal expense.

During 1933 organized Columbia Barge Co., which was subsequently incorporated as Columbia Boat & Barge System, Inc. Acted as manager of both companies. When the board of directors of the Columbia Boat & Barge System, Inc., realized it would be impossible to operate during the year 1933, they requested A. V. Allen to continue his services as manager and consummate arrangements to start operations in 1934. He received no compensation for any of the said services rendered.

STATE OF OREGON,
County of Multnomah, ss:

I, George H. Otten, Portland, Oreg., being first duly sworn on my oath depose and say that I am a registered engineer and contractor; that I held a subcontract from Guthrie McDougall for doing all the rubble and rock work on the repairs of the Celilo Canal; that my subcontract called for completion by September 27, 1933, and I was assured that no water would be turned into the Celilo Canal prior to October 3, 1933; that I completed my contract on Sunday, September 24, 1933, at which time I was informed that I had no more work to perform. I left the canal Sunday afternoon at 3 p. m. unaware that the water had been turned into the canal at that time and was amazed to learn the following morning that this had been done contrary to their former instructions. It was, however, raining extremely hard at that time, and I was informed that it was necessary to put the water in the canal at that time so that a barge could be floated at the big eddy in order to remove sacked wheat which was exposed to the rain. In my opinion the water should not have been turned into the canal at this time inasmuch as the cement should have been allowed to harden for at least another week before subjecting it to a severe test.

GEORGE H. OTTEN.

Subscribed and sworn to before me this 8th day of November 1933.

C. P. BENEDICT, *Notary Public.*

My commission expires September 5, 1936.

STATE OF OREGON,
County of Multnomah, ss:

After the water was turned into the Celilo Canal on the fresh and weak concrete on September 24, 1933, and the second break occurred that caused the canal to be closed, numerous derogatory remarks were current as to why the water was turned into the canal so soon and so secretly. We, A. V. Allen and O. B. Setters, being first duly sworn, each for ourselves, depose and say that we and each of us called on Maj. Charles Williams, district United States engineer, to inform him of the uncomplimentary remarks and to ascertain why the water was turned into the canal ahead of October 3, 1933, the date fixed by his department, to which he replied: "I take full responsibility for turning the water into the Celilo Canal on September 24, 1933; it was turned on on my orders, my reason for so doing was that I was anxious to get the dredger above the break in the canal." That the dredger is still on this, the west end of the Celilo Canal, even though the water was turned into said canal.

A. V. ALLEN.
O. B. SETTERS.

Subscribed and sworn to before me this 9th day of November 1933.

[SEAL] C. P. BENEDICT, *Notary Public.*

My commission expires September 5, 1936.

STATE OF OREGON,
County of Multnomah, ss:

I, Robert M. Mount, a resident of Portland, Oreg., being first duly sworn, depose and say as follows, to wit:

I was employed as manager of the Portland Better Business Bureau prior to and during the year 1933. In July 1933 I had occasion to make a thorough investigation of the activities of the Columbia Boat & Barge Co. The records,

contracts, and agreements of the company were made available to me for my inspection by A. V. Allen, manager of the Columbia Boat & Barge Co.

I found from my examination that the records supported the company's claim that it held at that time firm contracts with individual wheat growers for the transportation by boat and barge of more than 50,000 tons of wheat. The company had satisfactory leases and charters for sufficient boats and barges at reasonable rentals. A check of the rates quoted by the company with people familiar with river operation convinced me that the company could operate profitably under its proposed rate structure.

The officers of the company stated that they would begin their operations as soon as repairs to a break in the wall of the Celilo Canal were completed. They showed me letters from the United States Engineers which stated the repairs would be completed by September 1, 1933. I accepted the statement of the United States Engineers as conclusive and could find no real obstacle in the way of successful operation for the company, and advised prospective investors accordingly.

During September 1933 I had occasion to call on Maj. Charles F. Williams, United States Division Engineers, in regard to another matter. I noted that Major Williams appeared to be quite distressed about something and he informed me that the reason therefor was because he had just learned that the water had been turned into the Celilo Canal on Sunday, September 24, which was earlier than the date that had been agreed upon. He stated that the repair work has been ruined and that he, Major Williams, felt he would have to assume the responsibility.

ROBERT M. MOUNT.

JULY 13, 1937.

STATE OF OREGON,
County of Multnomah, ss:

Be it remembered, that on this 13th day of July 1937, before me, the undersigned, a notary public in and for said county and State, personally appeared the within-named Robert M. Mount, who is known to me to be the identical person described in and who executed the same freely and voluntarily.

In testimony whereof I have hereunto set my hand and seal the day and year last above written.

[SEAL] O. B. SETTERS, *Notary Public.*

My commission expires July 24, 1937.

STATE OF OREGON,
County of Multnomah, ss:

I, L. M. Conlee, being first duly sworn, depose and say: On Wednesday, November 3, 1937, I called at the offices of Col. T. M. Robins, division engineer, Pacific Northwest Division, United States Army Engineers, Pittock Block, Portland, Oreg., and discussed with him the claim of the Columbia Boat & Barge System, Inc., for damages sustained by reason of a break in The Dalles-Celilo Canal April 11 and 12, 1933.

My particular purpose was to obtain from him his assurance that when the aforesaid claim was again referred to him by the War Department for report he would recommend a noncommittal report, thereby leaving consideration of the claim entirely in the hands of the Senate Claims Committee.

At that time Colonel Robins expressed to me his personal sympathy and concern over the difficulties which the company had experienced and volunteered that the Army engineers had not made proper use of their engineering knowledge in conducting the repairs of the canal. He stated further, however, that although the engineers were doubtless at fault, the Government should not be held responsible therefor and that the Congress should not establish the precedent of holding the Government liable for any mistakes or poor engineering on the part of the Army engineers, no matter how damaging such mistakes or poor engineering might be to innocent parties.

L. M. CONLEE.

Subscribed and sworn to before me this 15th day of February 1938.

[SEAL] W. E. CAMERON, *Notary Public.*

My commission expires June 4, 1941.

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